

Message From the President

Hurricane Georges is the worst natural disaster to hit Puerto Rico in 70 years. Nearly all of Puerto Rico's 3.9 million residents lost power and water service—many had to live without normal service for weeks or months in some areas. Hundreds of thousands of people had their homes damaged or destroyed. Most of the agricultural crops were destroyed and the majority of businesses were shut down. Roads, bridges, and harbors were damaged and blocked with debris.

The people and Government of Puerto Rico endured the storm in exemplary manner. Communities have already rebounded to an impressive extent as a result of their effective preparation and determination in the wake of the storm. Governor Pedro Rosselló and his administration provided tremendous leadership during the crisis and have been very effective in addressing the many challenging issues that have followed.

The destruction and recovery needs caused by Hurricane Georges are among the most extensive the Federal Government has ever faced. In fact, Hurricane Georges has generated more applications for individual disaster assistance than any other disaster.

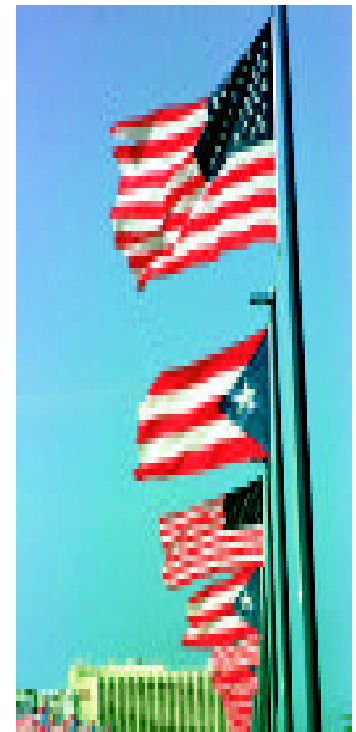
Federal Emergency Management Agency Director James Lee Witt, assisted by Secretary of Housing and Urban Development Andrew Cuomo, Small Business Administrator Aida Alvarez, and my staff, marshaled Federal resources in support of Puerto Rico's massive response. Never before have so many resources been mobilized as quickly as they were in response to this disaster. Thousands of Federal employees labored hour after hour, day after day to do everything possible to meet the urgent needs of disaster victims and affected communities.

These efforts were aided by the support of people throughout the United States. Many of the individuals who provided assistance are of Puerto Rican origin. Members of Congress also focused their attention on the situation in Puerto Rico. Several visited damaged areas and led the Congress in providing additional disaster funding for Federal assistance programs.

I asked the First Lady to lead a special mission to Puerto Rico to assess the ongoing response and recovery efforts. Upon her return, she reported to me that while a large amount of Federal assistance was being provided, more needed to be done. My Administration is committed to remain with the Puerto Rican people every step of the way to full recovery. We have a special obligation to make sure the disaster needs that our fellow citizens cannot meet alone are adequately addressed.

There are two primary areas on which Federal disaster efforts must remain focused:

- Housing – We must ensure that disaster housing needs are met, especially the needs of those who are not being adequately helped for whatever reason.





First Lady Hillary Rodham Clinton (center) plants a tree at a school used as a shelter with Puerto Rico Governor Pedro Rosselló, First Lady Maga Rosselló, and Resident Commissioner Carlos Romero-Barcelo; Representatives Charles Rangel, George Miller, Jim McDermott, Donald Payne, Patrick Kennedy, and William Pascrell, and Delegate Donna Christian-Christensen; and Housing and Urban Development Secretary Andrew Cuomo and Small Business Administrator Aida Alvarez.

- Mitigation – We must enhance the ability of structures to withstand future hurricanes and other disasters by rebuilding safer and smarter than before.

A full recovery will take time because of the extent of the damage, the amount of reconstruction required, and the mountainous terrain of some of the hardest hit areas. To ensure the Federal family does everything in its power to assist Puerto Rico in its recovery, I requested Director Witt to take the rarely invoked step of developing a long-term recovery action plan with the assistance of the Task Force I established for this purpose.

This document is a report on the Action Plan as it stands 3 months after the storm. It is a guideline for—but not the final step in—the Federal recovery effort. It notes measures taken to date in addition to those underway or planned. It is, however, only a snapshot in time of what my Administration is doing to help. If necessary, we will

take additional measures as needs become further defined. Towards that end, I am directing the following:

- The Director of the Federal Emergency Management Agency to ensure that disaster housing programs are used as aggressively as possible to meet the disaster-related housing needs of Puerto Rico.
- The Secretary of Housing and Urban Development to take the lead in assisting the Government of Puerto Rico to address unmet housing needs through projects that embody both affordability and hazard mitigation.
- The Secretary of Housing and Urban Development to convene a meeting with other Agencies and Puerto Rico's New Safe House Project Task Force as soon as possible. The meeting should focus on addressing long-term housing needs created by the disaster and identified by the Puerto Rico housing census.
- The Secretary of Energy and the Director of the Federal Emergency Management Agency to assist in establishing electrical generation, transmission, and distribution systems that will provide greater reliability during future disasters.
- The Secretary of Agriculture and the Secretary of Defense to provide technical and financial assistance for crop losses, watershed damage, and flood control.
- The Secretary of Transportation to furnish funding and engineering skills to address damage to roads and bridges.
- The Secretary of Commerce and the Administrator of the Small Business Administration to use all of their available programs and resources to promote the healthy recovery of small businesses.

- All Federal Government Departments and Agencies to institute measures that incorporate mitigation and sustainable redevelopment into the long-term recovery program for Puerto Rico.
- The Director of the Federal Emergency Management Agency to provide technical assistance to the Government of Puerto Rico in enforcement of building codes and standards, and to assist communities in preparing their long-term recovery plans.
- The Director of the Federal Emergency Management Agency to coordinate the efforts of the various Federal Agencies so that the services and assistance delivered is complementary and functional.
- The Co-Chairs of my Interagency Group on Puerto Rico, along with the Director of the Federal Emergency Management Agency and the Secretary of the Cabinet, to continue to monitor the recovery effort and to report regularly to me on its progress.

I know that the family of Federal Agencies has already made a tremendous difference in assisting Puerto Rico with its recovery. We shall continue to do everything we can to ensure a full recovery. As Governor Rosselló has said, “The recovery of the people of Puerto Rico is the inescapable destiny of this society.”

BILL CLINTON

Lyricist Stephen Sondheim, in *West Side Story*, had a group of New York women from Puerto Rico lament that back home, “Always the hurricane blowing... .”

As superb as that musical drama was, it resorted to a great deal of stereotyping. And the hurricane reference was but one example.

Nevertheless, it is true that our “Island of Enchantment”—like much of the mainland’s Eastern Seaboard and Gulf Coast—must always be prepared for heavy weather. Over the past decade alone, storms such as Hugo, Marilyn, and Hortense inflicted severe damage on many parts of Puerto Rico.

At least 70 years have passed, though, since we were last assaulted by anything comparable to the phenomenon that struck on September 21 and 22, 1998.

- Hurricane Georges packed maximum sustained winds of 115 miles per hour.
- It dumped more than 2 feet of rain on some areas.
- After walloping our offshore municipalities of Culebra and Vieques, it crossed the entire 100-mile length of our main island and necessitated the issuance of a disaster declaration that encompassed all 78 of Puerto Rico’s municipalities.

Civil Defense measures, implemented well in advance, kept the human casualty toll to a minimum; indeed, most of the dozen storm-related deaths resulted from accidents involving heroic linemen striving to restore electrical service after Georges was long gone.

Property losses, however, were another story altogether. More than 100,000 residences were damaged or destroyed, forcing 31,500 persons to seek refuge in 439 shelters. Power was knocked out everywhere; most homes lacked running water; our roads were largely impassable; numerous communities were left incommunicado and/or totally inundated with water. The cost of rebuilding is expected to be billions of dollars.

From President Clinton on down, the Federal Government mobilized all of the resources at its disposal—even before the hurricane struck—and has earned the eternal gratitude of Puerto Rico’s 3.9 million people for its role in helping us cope with this catastrophe. The scope of the response is illustrated by the fact that the President’s Long-Term Recovery Task Force is rarely activated.

Hurricanes happen. Certainly not “always,” but sometimes they do happen. And, when they do, Puerto Rico bounces back—thanks to the determination of our people and the generous support we receive from our fellow American citizens through the Federal Government.

PEDRO ROSSELLÓ

Message From the Governor

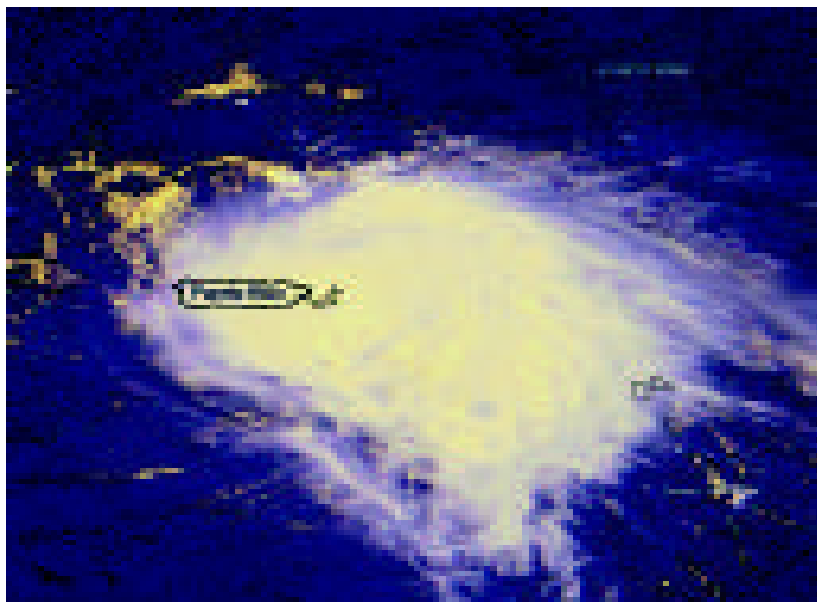


*Governor of Puerto Rico
Pedro Rosselló*

Executive Summary

Hurricane Georges struck Puerto Rico on September 21, 1998, moving east to west across Puerto Rico with fierce winds gusting to as high as 150 miles per hour and depositing up to 27 inches of rainfall. Storm-related winds, flooding, and mudslides caused billions of dollars in damages and economic losses. All 78 of Puerto Rico's municipalities and most of the 3.9 million residents were affected by the storm. Hurricane Georges resulted in:

- more than 900,000 customers without potable water;
- 100 percent of electrical service disrupted;
- 258,780 customers without telephone service;
- more than 217,000 homes damaged to some degree;
- over 29,000 people left homeless;
- 3 million cubic yards of debris;
- 40 bridges and miles of roads damaged or blocked; and
- 75 percent coffee crop losses, 95 percent plantain and banana crop losses, 65 percent of the poultry industry, and 25 percent of the ornamental plant industry destroyed.



Hurricane Georges engulfs Puerto Rico.

While a single loss of life is unacceptable, the fact that only a few people died as a result of Hurricane Georges is noteworthy. The low loss of life can be attributed to accurate forecasting and timely warning, the mitigation programs implemented after previous hurricanes, and the strong preparedness and response on the part of the people and Government of Puerto Rico.

The Federal Government was quick to respond to Puerto Rico's request for assistance. In fact, damage assessment teams and emergency supplies began arriving in Puerto Rico even before the hurricane struck. The Federal Emergency Management Agency (FEMA) provided Puerto Rico close to \$700 million* in immediate response assistance alone. Federal response efforts included:

- 44 Disaster Recovery Centers (33 fixed sites and 11 mobile units);
- 4,800 relief workers, 2,800 of whom were local hires;
- 8.5 million gallons of drinking water;
- nearly 19 million pounds of ice;
- 29,441 rolls of plastic sheeting;
- 64,771 temporary roofs installed; and
- 283 emergency generators for critical facilities.

**All statistics and dollar amounts in this Action Plan are as of December 31, 1998.*

It will take years for communities and businesses to fully recover from the devastation of Hurricane Georges. To assist individuals in coping with the trauma and stress of the disaster, FEMA has approved nearly \$5.7 million for crisis counseling programs. These crisis counseling services will be implemented by the Government of Puerto Rico's Mental Health and Anti-Addiction Services Administration.

The President activated the Federal Government Long-Term Recovery Task Force to expedite the recovery process and ensure that Federal assistance is directed at the needs identified by the Government of Puerto Rico. In addition, the Task Force is focusing on incorporating mitigation measures into the recovery process to reduce the risk of damage from future disasters. The Federal Task Force and Government of Puerto Rico officials held their first joint meeting on October 14, 1998. At that meeting, five long-term recovery priorities were identified:

1. Mitigation
2. Housing
3. Economic Revitalization and Sustainability
 - Agriculture
 - Non-Agriculture
4. Energy
5. Transportation

This Action Plan captures the initial recovery assistance that the Federal Government has provided in support of Puerto Rico's long-term recovery effort, as well as a series of actions to facilitate the long-term recovery process. The total amount of FEMA recovery assistance is estimated at \$2 billion. The total cost of Federal Government assistance will far exceed this amount. Task Force members remain ready to work with their Puerto Rican counterparts to address whatever additional needs emerge in the coming months. For example, the Government of Puerto Rico has conducted a census of homes destroyed or damaged by the hurricane. The Department of Housing and Urban Development (HUD) will convene a special meeting to discuss the results of the census and to develop options for addressing housing needs that will not be adequately met by existing programs.

This Action Plan includes 57 specific actions that Federal Departments and Agencies are implementing to do everything under their legal authorities to facilitate a well-coordinated and rapid recovery. In many cases, Federal Agencies are implementing special initiatives in response to Government of Puerto Rico requests that are related to its distinct needs. Examples of actions that go beyond the types of assistance normally provided include the following:



Emergency distribution of water.

- FEMA extended three times the time period during which Puerto Rico received emergency direct Federal assistance at 100 percent Federal funding. Extensions such as these are rare and are made only when a disaster results in extraordinary emergency needs.
- FEMA increased the maximum amount of grants for home repairs provided under its Disaster Housing Assistance program from \$10,000 to \$25,000 per home.
- The Small Business Administration (SBA) agreed to accept the Government of Puerto Rico's small business disaster loans as interim financing. This allows SBA loan recipients to receive more immediate disaster assistance and to repay Government of Puerto Rico small business disaster loans with SBA funds.
- The Department of Commerce's (DOC) Economic Development Administration (EDA) committed \$1 million to Puerto Rico's Economic Development Bank for a revolving loan fund assistance program. The program will provide a local source of financial assistance for business recovery.
- The Department of Agriculture's (USDA) Forest Service Agency provided Puerto Rico with satellite imagery and aerial photographs to assist in reforestation efforts and the protection of beaches and coral reefs.
- The Department of Labor (DOL) provided the Government of Puerto Rico with a grant of up to \$2.4 million to train and employ dislocated workers. The training will prepare participants for jobs in the construction industry to assist in disaster-related repair and rebuilding efforts.

In addition to these special measures, Federal resources remain focused on supporting Puerto Rico in the five long-term recovery priority areas.

Mitigation

Incorporating mitigation measures into all aspects of the recovery process is an underlying objective of the Task Force. The three general areas that mitigation programs in Puerto Rico are emphasizing include:

1. building codes;
2. planning and coordination; and
3. floodplain management.

One of the challenges in mitigation is to replace damaged structures with new construction that is both affordable and disaster resistant. While the most recent disaster involved a hurricane, Puerto Rico is also an earthquake-prone area and needs to address this risk as well. The Government of Puerto Rico has adopted through emergency regu-



lation the 1997 Uniform Building Code (UBC) and the wind provisions of the American Society of Civil Engineers Standard 7-95. Implementation and enforcement of the seismic and wind resistance components of the UBC and Standard 7-95 will greatly reduce the risk of loss of life and property from future disasters. Puerto Rico is also reviewing its building administration and enforcement programs for improvements. FEMA will provide technical assistance for developing long-term strategies to reduce losses in future disasters and will provide significant funding under its Hazard Mitigation Grant Program to implement mitigation measures. In addition, the Federal Government is working with Puerto Rico to acquire property and elevate structures in the floodplain. The U.S. Army Corps of Engineers (USACE) is working with Puerto Rico to identify funding for and to expedite construction of five flood control projects.

Housing



As President Clinton stated, the Administration will provide support and assistance to the Government of Puerto Rico so that individuals and communities can achieve a full recovery and rebuild safer and smarter than before. Housing-related issues are a top priority for Puerto Rico. The Federal Government will assist Puerto Rico to address its housing needs by focusing Federal assistance on:

1. repairing existing homes;
2. addressing long-term shelter needs;
3. replacing destroyed homes;
4. restoring public housing; and
5. providing technical assistance and training.

There are many Federal programs that can help Puerto Rico repair and replace damaged residences. More than \$377.7 million has been provided under FEMA's Disaster Housing Assistance program and more than \$343 million has been approved under the Individual and Family Grant program. In the first 2 months following the hurricane, an average year's worth of FEMA housing assistance provided throughout the country has been delivered to disaster victims in Puerto Rico. In addition, SBA has approved more than \$82.5 million in Home Disaster Loans and USDA's Rural Housing Service (RHS) has provided 127 loans and 53 grants worth a total of more than \$4.7 million to low-income rural residents. HUD will convene a housing meeting in early 1999 to address the housing needs identified in Puerto Rico's housing census. These needs can be addressed through Puerto Rico's share of the \$250 million in Community Development Block Grant (CDBG) disaster funds approved by Congress in the *Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999* and

other measures if necessary. Puerto Rico and FEMA are collaborating on improved housing design plans for low-income residents and FEMA is ready to provide both technical assistance and funding for the development of long-term sheltering options. FEMA and HUD are also providing funding to repair damaged public housing. A number of Federal Agencies are providing on-site technicians to assist in the rebuilding effort. These technicians are providing advice on improved building technologies, conducting training, and assisting in program application.

Economic Revitalization and Sustainability

Puerto Rico and the Administration are committed to putting in place improvements that will achieve the long-term benefits of economic revitalization and sustainability. In the agricultural sector, this will be accomplished through:

1. financial assistance for crop and physical losses;
2. expanding agricultural insurance coverage; and
3. financial and technical assistance for conservation measures to reduce flooding and erosion.

FSA has already received 2,200 applications for emergency loans from impacted agricultural producers. USDA's Risk Management Agency (RMA) expects to fund approximately \$98.6 million of the estimated \$116 million in crop loss insurance claims. USDA's Natural Resources Conservation Service (NRCS) is providing \$4 million in financial and technical assistance to address flooding and soil erosion problems.

In the nonagricultural sector, the Federal Government is:

1. providing community development planning assistance to more effectively implement long-term recovery;
2. supporting small business recovery;
3. encouraging new investment;
4. proposing fiscal assistance;
5. providing unemployment assistance; and
6. promoting flood insurance for homeowners, renters, and businesses.

HUD is making available technical assistance for economic development strategies and financial packaging. EDA has provided a \$100,000 community planning grant to the University of Puerto Rico's Economic Development University Center. EDA has also committed \$1 million to Puerto Rico's Economic Development Bank for a revolving loan fund assistance program. The program will provide a local source of financial assistance for business recovery. SBA has already



approved 857 business loans totaling \$12.7 million. HUD will assist the Government of Puerto Rico in any reprogramming of its annual CDBG funds for use in economic recovery projects. DOL will provide up to \$30 million to create approximately 12,000 temporary jobs to assist in immediate and long-term cleanup and recovery efforts. DOL is also providing more than 1,600 individuals with weekly unemployment assistance.

Energy



Federal assistance in the energy sector is providing:

1. resources for repairing electrical transmission and distribution lines, and recommendations for design improvements;
2. emergency generators; and
3. assistance for developing a more reliable electrical system.

The energy generation and transmission network on the island was greatly impacted. Its failure crippled other basic services, such as water and sewage treatment, telephone service, transportation, and local commerce. The island's electrical system suffered an estimated \$250 million in damage. The cost of repairing the system will be paid for by a combination of Puerto Rico's self-insurance coverage and funding through FEMA's Public Assistance program. More than 300 electric utility workers and trucks and equipment were flown to the island to assist local crews. Emergency generators were provided to keep critical facilities operational, and plans are being developed to keep some of the generators in place to provide backup power during future disasters. The Department of Energy (DOE), FEMA, and Puerto Rico are examining mitigation measures to improve the disaster resistance of the electrical system through enhanced generation/transmission relationships, better power line placement, and placing poles deeper in the ground.

Transportation



The key transportation issues that will continue to be addressed include:

1. repairing damaged roads and bridges;
2. developing a reliable power source for the Tren Urbano project; and
3. dredging harbors.

USACE removed tons of debris from roadways, installed four temporary bridges, and will spend \$11 million on critical dredging ac-

tivities to maintain safe harbor channels. The Department of Transportation's (DOT) Federal Highway Administration (FHWA) and FEMA are providing approximately \$55 million to assist in rebuilding the island's damaged transportation system. Eligible mitigation measures will be incorporated into road and bridge repairs to reduce the risk of such severe damage in the future. The Federal Transit Agency (FTA) and FEMA also are working with the Government of Puerto Rico to explore funding options to establish a reliable power source for the \$1.55 billion Tren Urbano project which is a San Juan metro area mass transit rail system.